



# Best Rates for Savings & Deposits in the U.S. – 3rd Quarter, 2019

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## SURVEY HIGHLIGHTS

- CDs suffered the largest rate declines, while the average declines for money market and savings account rates was fairly minor.
  - The gap between the top rates and the average for each category remains quite large, meaning that there is still an opportunity for most bank customers to raise their interest rates even in a falling-rate environment.
- The best rates for savings accounts, money market accounts, and 1-year CDs are all offered by online accounts.

## A Turning Point for Interest Rates

A second consecutive quarter of falling rates seems to confirm that savings accounts and other bank deposit products have reached a turning point. A period of rising rates has ended, and it remains to be seen how far, and for how long, rates will fall.

Savings account interest rates, money market rates and rates on both 1-year and 5-year CDs fell during the 3rd quarter of 2019, according to the MoneyRates.com America's Best Rates survey for 2019 Q3.

# America's Best Savings Account Rates: 3rd Quarter, 2019

Below are the top ten [savings accounts](#) for the 3rd quarter of 2019:

Rank	Bank	2019 Q3 Avg APY
1 <sup>st</sup> place	MySavingsDirect (ABR platinum medal winner)	2.39%
2 <sup>nd</sup> place	Salem Five Direct (ABR gold medal winner)	2.34%
3 <sup>rd</sup> place	UFB Direct (ABR silver medal winner)	2.28%
4 <sup>th</sup> place	SFGI Direct (ABR bronze medal winner)	2.27%
5 <sup>th</sup> place	Synchrony Bank	2.12%
6 <sup>th</sup> place	FNBO Direct	2.10%
7 <sup>th</sup> place	Marcus by Goldman Sachs	2.10%
8 <sup>th</sup> place	Barclays	2.07%
9 <sup>th</sup> place	Sallie Mae Bank	2.02%
10 <sup>th</sup> place	American Express Bank	2.02%

(Note: While there appear to be ties at 2.10% and 2.02%, the bank rates involved are actually separated by a tiny fraction of a percent in each case.)

## Average savings account rate: 0.439%

Savings account rates declined on average, but only by a very slight amount: 0.002%, to be exact. This is the second consecutive quarter in which savings account rates fell.

The decline in the average savings account rates during the previous quarter was even smaller. These two tiny changes might not seem significant, but coming after two years of consistently rising rates and in an environment where everything from the fed funds rates to long-term bond yields are falling, it looks like savings account rates have reached a turning point.

While rates generally may be headed lower, keep in mind that not all rates move at the same time and by the same amount. The difference between the top savings account rate and the average during the 3rd quarter was 1.946%. So, even in this

falling-rate environment, if your account is with an average bank, you could improve your rate by nearly 2% by making the right move.

Also, to put the recent declines in perspective, savings account rates on average are still higher than they were a year ago. However, the fact that they may continue their recent turn for the worse makes this an opportune time to shop for better rates.

### **Average online savings account rate: 1.377%**

One of the best places to look for a better savings account rates is among online accounts. In fact, the falling-rate environment may be sharpening the distinction between online and traditional, branch-based accounts.

For three straight quarters now, the average online savings account rate has risen while the average traditional account rate has fallen. The gap between the average online savings account rate and the average traditional savings account rate is now 1.3%.

As people become more accustomed to shopping and doing other business online, the convenience of online banking is finding more and more converts. Consider the 1.3% rate advantage of online accounts an added bonus.

In fact, you could do even better than that 1.3% rate advantage if you choose one of the very best savings account rates. The 20 best savings account rates are all offered by online accounts.

## **America's Best Money Market Rates: 3rd Quarter, 2019**

Below are the best [money market rates](#) for the 3rd quarter of 2019. Instead of the usual top ten, there are 11 money market accounts listed because of a tie for tenth place.

Rank	Bank	2019 Q3 Avg APY
1 <sup>st</sup> place	Sallie Mae Bank (ABR platinum medal winner)	2.17%
2 <sup>nd</sup> place	First Internet Bank (ABR gold medal winner)	2.02%
3 <sup>rd</sup> place	BBVA Compass (ABR silver medal winner)	2.00%
4 <sup>th</sup> place	Capital One (ABR bronze medal winner)	1.99%
5 <sup>th</sup> place	Mutual of Omaha Bank	1.94%
6 <sup>th</sup> place	Discover Bank	1.86%
7 <sup>th</sup> place (tie)	Able Banking	1.85%
7 <sup>th</sup> place (tie)	CIT Bank	1.85%
9 <sup>th</sup> place	My Banking Direct	1.50%
10 <sup>th</sup> place (tie)	Synchrony Bank	1.20%
10 <sup>th</sup> place (tie)	TIAA Direct	1.20%

## Average money market account rate: 0.443%

The average money market rate declined by 0.015% during the 3rd quarter.

Unlike the average savings account rate, the average money market rate actually rose in the previous quarter - so the decline in the latest quarter breaks a string of two and a quarter years of rising money market rates.

As with savings account rates, there is a wide gap between the best money market rates and the average. If you have an average or below-average money market account, this gap represents an opportunity. You can improve your interest rate even in a falling-rate environment.

If you decide to do some rate-shopping, keep in mind that, from a customer's point of view, money market accounts have very similar characteristics to savings accounts. The average money market rate exceeded the average savings account rate for the second consecutive quarter; but over the seven-and-a-half year history of the America's Best Rates Survey, the average savings and money market rates have been very similar and have taken turns being higher than one another.

Including money market accounts in your search along with savings accounts should only increase your chance of finding a better rate.

## Average online money market rate: 1.132%

Online money market accounts are a good place to look if you seek to improve your interest rate. At 1.132%, the average online money market rate is 0.916% higher than the average for traditional, branch-based money market accounts. The average online money market rate declined since the second quarter of 2019; still, 11 of the top 12 money market rates are offered by online accounts.

## The Best Online 1-Year CD Rates: 3rd Quarter 2019

Here is a list of the best 1-year CD rates over the third quarter:

Rank	Bank	2019 Q3 Avg APY
1 <sup>st</sup> place	Sallie Mae Bank (ABR platinum medal winner)	2.55%
2 <sup>nd</sup> place	Ally Bank (ABR gold medal winner)	2.47%
3 <sup>rd</sup> place	Synchrony Bank (ABR silver medal winner)	2.45%
4 <sup>th</sup> place	First Internet Bank (ABR bronze medal winner)	2.45%
5 <sup>th</sup> place	TIAA Bank	2.44%
6 <sup>th</sup> place	Barclays	2.44%
7 <sup>th</sup> place	Discover Bank	2.42%
8 <sup>th</sup> place	Marcus by Goldman Sachs	2.42%
9 <sup>th</sup> place	ableBanking	2.38%
10 <sup>th</sup> place	Capital One	2.33%

(Note: In a few places some of the above accounts appear to be tied, but they are actually separated by small fractions of a percent.)

## Average 1-year CD rate: 1.009%

1-year CD rates fell by an average of 0.139% during the third quarter, to 1.009%. Now that rates appear to have turned downward, CD rates appear to be falling faster than savings or money market rates.

It makes sense that [CD rates](#) should react more forcefully to rate declines than savings or money market rates, because certificates of deposit lock the bank into

paying a rate for a specific period of time. In contrast, savings and money market rates can change at any time.

If banks believe that the trend has shifted toward falling rates, they are likely to be especially eager to get ahead of that trend with their CD rates to avoid being locked into offering an unnaturally high rate as rates continue to fall.

Just as falling rates work against banks when it comes to CD rates, they can work to the advantage of consumers by allowing them to lock in rates before they fall.

### **Average online 1-year CD rate: 1.836%**

Online CDs generally have a clear rate advantage over their branch-based counterparts. For 1-year CDs, not only was the average online rate higher than the average traditional rate by more than a full percentage point, but the 14 best CD rates found in this survey were all online accounts.

A CD is a product that generally does not require interaction with the bank during the term of the CD. Therefore, with no need for regular interaction at a branch and generally higher rates, CDs are an excellent choice for online banking.

## **The Best 5-Year CD Rates: 3rd Quarter, 2019**

Below are the top ten 5-year CD rates for the 3rd quarter of 2019:

Rank	Bank	2019 Q3 Avg APY
1 <sup>st</sup> place	Synchrony Bank (ABR platinum medal winner)	2.69%
2 <sup>nd</sup> place	Barclays (ABR gold medal winner)	2.67%
3 <sup>rd</sup> place	Marcus by Goldman Sachs (ABR silver medal winner)	2.66%
4 <sup>th</sup> place	Ally Bank (ABR bronze medal winner)	2.66%
5 <sup>th</sup> place	First Internet Bank	2.63%
6 <sup>th</sup> place	TIAA Direct	2.61%
7 <sup>th</sup> place	Discover Bank	2.60%
8 <sup>th</sup> place	INTRUST Bank	2.57%
9 <sup>th</sup> place	Avidia Bank	2.54%
10 <sup>th</sup> place	Ridgewood Bank	2.53%

The following are some recent trends in 5-year CD rates:

### **Average 5-year CD rate: 1.469%**

The average 5-year CD rate of 1.469% represents a drop of 0.221% from the previous quarter. This is the largest decline of any of the products included in this survey.

It makes sense that long-term CDs would see especially steep rate-drops once rates start to fall. Given the longer commitment, banks are especially anxious not to get locked into paying an above-market rate for an extended period of time.

### **Average online 5-year CD rate: 2.034%**

The average online 5-year CD rate of 2.034% represents an advantage over the average 5-year traditional CD rate of 0.763%. Seven of the ten best CD rates were offered by online accounts.

Online banking makes especially good sense for a long-term CD. With no need to visit a branch during the term of a 5-year CD, why not take advantage of the better rates offered by online accounts?

## **The America's Best Rates Method - Identify the Consistently Highest Rates**

Rather than base the America's Best Rates savings, money market account and CD account rankings on a single snapshot in time, MoneyRates looks to identify the most consistently competitive accounts by averaging rates throughout each calendar quarter. Rates available to customers with a \$10,000 balance and requiring no broader relationship with the bank are used for this survey.

Further, to provide a representative view of banking trends, the survey is based on the MoneyRates Index, a consistent sample of accounts representing a cross-section of the retail deposit industry. The MoneyRates Index is comprised of 50 of the largest retail deposit institutions in the United States, plus 25 smaller banks and 25 medium-sized banks.

## Here are leading offers from other online banks

<b>Account Type:</b> Savings + MMA <span>⌵</span>	<b>Credit Rating:</b> Select <span>⌵</span>	<b>Amount:</b> \$25,000 to \$49,999 <span>⌵</span>	<b>Purpose Of Account:</b> Select <span>⌵</span>
<b>Household Income:</b> Select <span>⌵</span>	<b>Currently Banking With:</b> <input checked="" type="checkbox"/> None <span>⌵</span>	<b>Deposit Frequency</b> Select <span>⌵</span>	<input type="button" value="Update"/>

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Bank/Institution	APY	Min. to earn APY	Type
 <b>TAB Bank</b> <small>Member FDIC</small> <a href="#">Advertiser Comments</a>	<b>2.40%</b> <small>Rates as of 10/30/2019</small>	<b>\$1</b>	Type: Savings <input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>Goldman Sachs Bank USA</b> <small>Goldman Sachs Bank USA Member FDIC</small> <a href="#">Advertiser Comments</a>	<b>1.90%</b> <small>Rates as of 10/30/2019</small>	<b>\$0</b>	Type: Savings <input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>Personal Savings American Express National Bank</b> <a href="#">Advertiser Comments</a>	<b>1.90%</b> <small>Rates as of 10/30/2019</small>	<b>\$1</b>	Type: Savings <input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>Capital One</b> <a href="#">Advertiser Comments</a>	<b>1.90%</b> <small>Rates as of 10/30/2019</small>	<b>\$0</b>	Type: Savings <input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>Sallie Mae Bank</b> <a href="#">Advertiser Comments</a>	<b>2.15%</b> <small>Rates as of 10/30/2019</small>	<b>\$0</b>	Type: MMA <input type="button" value="Start Saving"/> <small>FDIC Insured</small>
 <b>UFB Direct</b> <a href="#">Advertiser Comments</a>	<b>2.15%</b> <small>Rates as of 10/30/2019</small>	<b>\$25,000</b>	Type: MMA <input type="button" value="Start Saving"/> <small>FDIC Insured</small>

	Barclays	<b>1.90%</b> <small>Rates as of 10/30/2019</small>	<b>\$0</b>	Type: Savings	<a href="#">Start Saving</a>	 FDIC Insured
	Capital One	<b>1.90%</b> <small>Rates as of 10/30/2019</small>	<b>\$0</b>	Type: Savings	<a href="#">Start Saving</a>	 FDIC Insured
<b>Ultima Bank Minnesota</b>  FDIC Insured		<b>3.04%</b> <small>Rates as of 4/24/2019</small>	<b>\$0</b>	Type: Savings	<a href="#">Learn More</a>	
<b>All America Bank</b>  FDIC Insured		<b>2.50%</b> <small>Rates as of 4/24/2019</small>	<b>\$0</b>	Type: MMA	<a href="#">Learn More</a>	

*Rates / Annual Percentage Yield terms above are current as of the date indicated. These quotes are from banks, credit unions and thrifts, some of which have paid for a link to their website. Bank, thrift and credit unions are member FDIC or NCUA. Contact the bank for the terms and conditions that may apply to you. Rates are subject to change without notice and may not be the same at all branches.*